

CITY OF BISMARCK POLICE PENSION FUND
INVESTMENT PERFORMANCE REPORT AS OF OCTOBER 31, 2008

| | October-08 | | | | September-08 | | | | Current | Prior Year | 3 Years | 5 Years |
|--|------------------|--------------|--------------|----------------|------------------|--------------|--------------|----------------|----------------|----------------|---------------|---------------|
| | Market Value | Allocation | Month | Net ROR | Market Value | Allocation | Quarter | Net ROR | Fiscal YTD | FY08 | Ended | Ended |
| | | Actual | Policy | | | Actual | Policy | | | | 6/30/2008 | 6/30/2008 |
| | | | | | | | | | | | Net | Net |
| LARGE CAP DOMESTIC EQUITY | | | | | | | | | | | | |
| <i>Structured Growth</i> | | | | | | | | | | | | |
| LA Capital | 568,586 | 3.0% | 3.4% | -16.72% | 670,881 | 3.1% | 3.4% | -13.15% | -27.67% | -6.96% | 8.22% | N/A |
| Total Structured Growth | 568,586 | 3.0% | 3.4% | -16.72% | 670,881 | 3.1% | 3.4% | -13.15% | -27.67% | -6.96% | 8.22% | 10.32% |
| <i>Russell 1000 Growth</i> | | | | -17.61% | | | | -12.33% | -27.76% | -5.96% | 5.91% | 7.32% |
| <i>Structured Value</i> | | | | | | | | | | | | |
| LSV | 517,127 | 2.7% | 3.4% | -20.37% | 637,956 | 3.0% | 3.4% | -6.27% | -25.36% | -22.29% | 3.56% | 11.19% |
| <i>Russell 1000 Value</i> | | | | -17.31% | | | | -6.11% | -22.37% | -18.78% | 3.53% | 8.92% |
| <i>Enhanced Russell 1000 Index</i> | | | | | | | | | | | | |
| LA Capital | 481,053 | 2.6% | 2.8% | -15.79% | 568,512 | 2.7% | 2.8% | -9.44% | -23.74% | -10.70% | 6.55% | 9.03% |
| <i>Russell 1000</i> | | | | -17.46% | | | | -9.35% | -25.18% | -12.36% | 4.81% | 8.22% |
| <i>Enhanced S&P 500 Index</i> | | | | | | | | | | | | |
| Northern Trust | 224,040 | 1.2% | 1.4% | -18.02% | 268,598 | 1.3% | 1.4% | -6.80% | -23.60% | -15.84% | 3.14% | 6.72% |
| Westridge | 502,946 | 2.7% | 3.1% | -16.71% | 593,142 | 2.8% | 3.1% | -8.06% | -23.42% | -12.25% | 4.94% | 8.02% |
| Wells Capital | 109,565 | 0.6% | 2.2% | -36.09% | 387,072 | 1.8% | 2.2% | -24.53% | -51.77% | -31.59% | N/A | N/A |
| European Credit Management | 161,379 | 0.9% | 1.4% | -35.90% | 247,431 | 1.2% | 1.4% | -21.07% | -49.40% | N/A | N/A | N/A |
| Prudential | 173,032 | 0.9% | 1.5% | -36.10% | 266,142 | 1.2% | 1.5% | -25.46% | -52.37% | N/A | N/A | N/A |
| Franklin | 227,255 | 1.2% | 1.4% | -16.47% | 267,070 | 1.3% | 1.4% | -12.12% | -26.59% | -13.65% | N/A | N/A |
| Total Enhanced S&P 500 Index | 1,398,216 | 7.4% | 11.1% | -25.43% | 2,029,454 | 9.5% | 11.1% | -16.16% | -37.48% | -18.66% | 2.40% | 6.45% |
| <i>S&P 500</i> | | | | -16.79% | | | | -8.37% | -23.76% | -13.12% | 4.41% | 7.58% |
| <i>Absolute Return Strategy</i> | | | | | | | | | | | | |
| Epoch | 369,147 | 2.0% | 1.7% | -11.41% | 294,406 | 1.4% | 1.7% | -12.66% | -22.63% | -6.84% | N/A | N/A |
| <i>S&P 500</i> | | | | -16.79% | | | | -8.37% | -23.76% | -13.12% | | |
| <i>S&P 500 Index</i> | | | | | | | | | | | | |
| State Street | 206,848 | 1.1% | 1.7% | -17.05% | 318,609 | 1.5% | 1.7% | -11.64% | -26.70% | -18.23% | 2.99% | 6.70% |
| <i>S&P 500</i> | | | | -16.79% | | | | -8.37% | -23.76% | -13.12% | 4.41% | 7.58% |
| <i>Asset Allocation Overlay</i> | | | | | | | | | | | | |
| Clifton (notional exposure \$316,173) | 2,046 | 0.0% | 0.0% | N/A | | | | | | | | |
| <i>S&P 500</i> | | | | -16.79% | | | | -8.37% | -23.76% | -13.12% | 4.41% | 7.58% |
| TOTAL LARGE CAP DOMESTIC EQUITY | 3,543,024 | 18.8% | 24.0% | -20.71% | 4,519,819 | 21.2% | 24.0% | -13.07% | -31.07% | -16.11% | 4.22% | 8.17% |
| <i>S&P 500</i> | | | | -16.79% | | | | -8.37% | -23.76% | -13.12% | 4.41% | 7.58% |
| SMALL CAP DOMESTIC EQUITY | | | | | | | | | | | | |
| <i>Manager-of-Managers</i> | | | | | | | | | | | | |
| SEI | 1,252,942 | 6.7% | 8.6% | -22.59% | 1,733,356 | 8.1% | 8.6% | -1.30% | -23.60% | -22.41% | 1.06% | 8.52% |
| <i>Russell 2000 + 200bp</i> | | | | -20.64% | | | | -0.61% | -21.12% | -14.48% | 5.88% | 12.50% |
| Callan | 533,918 | 2.8% | 3.4% | -22.44% | 687,130 | 3.2% | 3.4% | -7.13% | -27.97% | -15.44% | N/A | N/A |
| <i>Russell 2000</i> | | | | -20.80% | | | | -1.11% | -21.68% | -16.19% | | |
| <i>Asset Allocation Overlay</i> | | | | | | | | | | | | |
| Clifton (notional exposure \$427,638) | 7,863 | 0.0% | 0.0% | N/A | | | | | | | | |
| <i>Russell 2000</i> | | | | -20.80% | | | | -1.11% | -21.68% | -16.19% | 3.79% | 10.29% |
| TOTAL SMALL CAP DOMESTIC EQUITY | 1,794,723 | 9.5% | 12.0% | -22.55% | 2,420,486 | 11.4% | 12.0% | -2.98% | -24.85% | -20.36% | 2.11% | 9.20% |
| <i>Russell 2000</i> | | | | -20.80% | | | | -1.11% | -21.68% | -16.19% | | |
| INTERNATIONAL EQUITY | | | | | | | | | | | | |
| <i>Large Cap - Core</i> | | | | | | | | | | | | |
| State Street | 154,201 | 0.8% | 1.1% | -22.32% | 198,348 | 0.9% | 1.1% | -21.95% | -39.38% | -13.11% | 12.40% | 14.27% |
| <i>MSCI EAFE (1)</i> | | | | -20.18% | | | | -20.56% | -36.59% | -10.61% | 12.84% | 14.86% |
| <i>Large Cap - Active</i> | | | | | | | | | | | | |
| Capital Guardian | 514,870 | 2.7% | 3.3% | -19.00% | 638,301 | 3.0% | 3.3% | -18.64% | -34.10% | -13.89% | 11.58% | 14.15% |
| LSV | 483,292 | 2.6% | 3.3% | -20.12% | 604,387 | 2.8% | 3.3% | -17.25% | -33.90% | -23.98% | 8.07% | N/A |
| Total Large Cap - Active | 998,162 | 5.3% | 7.7% | -19.55% | 1,242,688 | 5.8% | 7.7% | -17.97% | -34.01% | -20.05% | 9.04% | 13.03% |
| <i>MSCI EAFE - 50% Hedged</i> | | | | -17.28% | | | | -16.79% | -31.17% | -15.14% | 10.93% | 14.67% |
| <i>Small Cap - Active</i> | | | | | | | | | | | | |
| DFA | 154,144 | 0.8% | 1.1% | -21.76% | 197,025 | 0.9% | 1.1% | -20.80% | -38.03% | N/A | N/A | N/A |
| Wellington | 148,571 | 0.8% | 1.1% | -21.99% | 190,249 | 0.9% | 1.1% | -25.78% | -42.10% | -15.19% | 9.83% | 16.11% |
| Total Small Cap - Active | 302,714 | 1.6% | 2.2% | -21.87% | 387,274 | 1.8% | 2.2% | -23.33% | -40.10% | -15.60% | 9.53% | 16.89% |
| <i>S&P/Citigroup BMI EPAC < \$2BN</i> | | | | -23.80% | | | | -23.50% | -41.71% | -19.12% | 10.36% | 19.26% |
| <i>Asset Allocation Overlay</i> | | | | | | | | | | | | |
| Clifton (notional exposure \$) | - | 0.0% | 0.0% | N/A | | | | | | | | |
| <i>MSCI EAFE</i> | | | | | | | | | | | | |
| TOTAL INTERNATIONAL EQUITY | 1,455,077 | 7.7% | 11.0% | -20.34% | 1,828,310 | 8.6% | 11.0% | -19.61% | -35.96% | -18.47% | 9.51% | 13.93% |
| <i>MSCI EAFE - 50% Hedged</i> | | | | -17.28% | | | | -16.79% | -31.17% | -15.14% | 10.93% | 14.67% |
| EMERGING MARKETS EQUITY | | | | | | | | | | | | |
| <i>Core</i> | | | | | | | | | | | | |
| JP Morgan | 65,033 | 0.3% | 0.5% | -25.95% | 87,739 | 0.4% | 0.5% | -22.87% | -42.88% | 3.57% | N/A | N/A |
| PanAgora | 60,563 | 0.3% | 0.5% | -28.82% | 85,014 | 0.4% | 0.5% | -27.52% | -48.41% | 7.21% | N/A | N/A |
| WestLB | 63,271 | 0.3% | 0.5% | -27.69% | 87,244 | 0.4% | 0.5% | -28.00% | -47.93% | 11.12% | N/A | N/A |
| UBS | 81,479 | 0.4% | 0.5% | -29.36% | 115,643 | 0.5% | 0.5% | -27.00% | -48.44% | 5.82% | N/A | N/A |
| Total Core | 270,346 | 1.4% | 2.0% | -28.05% | 375,640 | 1.8% | 2.1% | -26.44% | -47.08% | 6.87% | 27.76% | 29.00% |
| <i>MSCI Emerging Markets</i> | | | | -27.35% | | | | -26.86% | -46.86% | 4.89% | 27.52% | 22.84% |

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| | October-08 | | | | September-08 | | | | Current | Prior Year | 3 Years | 5 Years |
|--|--------------|------------|--------|---------|--------------|------------|--------|---------|------------|------------|-----------|-----------|
| | Market Value | Allocation | Actual | Month | Market Value | Allocation | Actual | Quarter | Fiscal YTD | FY08 | Ended | Ended |
| | | Policy | | Net ROR | | Policy | | Net ROR | Net ROR | Net ROR | 6/30/2008 | 6/30/2008 |
| | | | | | | | | | | | Net | Net |
| Small Cap | | | | | | | | | | | | |
| DFA | 61,887 | 0.3% | 0.6% | -30.34% | 88,846 | 0.4% | 0.6% | -24.25% | -47.23% | -13.68% | N/A | N/A |
| MSCI Emerging Markets | | | | -27.35% | | | | -26.86% | -46.86% | 4.89% | | |
| Private Equity | | | | | | | | | | | | |
| Capital International | 51,152 | 0.3% | 0.3% | 0.00% | 51,152 | 0.2% | 0.2% | 6.52% | 6.52% | N/A | N/A | N/A |
| MSCI Emerging Markets | | | | -27.35% | | | | -26.86% | -46.86% | | | |
| Infrastructure | | | | | | | | | | | | |
| JP Morgan | 24,206 | 0.1% | 0.1% | 0.00% | 25,281 | 0.1% | 0.1% | N/A | N/A | N/A | N/A | N/A |
| TOTAL EMERGING MARKETS EQUITY | 407,591 | 2.2% | 3.0% | -24.46% | 540,919 | 2.5% | 3.0% | -23.25% | -42.03% | 2.99% | 27.07% | 28.58% |
| MSCI Emerging Markets | | | | -27.35% | | | | -26.86% | -46.86% | 4.89% | 27.52% | 30.15% |
| DOMESTIC FIXED INCOME | | | | | | | | | | | | |
| Core Bond | | | | | | | | | | | | |
| Western Asset | 333,976 | 1.8% | 1.5% | -7.59% | 435,721 | 2.0% | 1.7% | -6.30% | -13.41% | -0.30% | 1.78% | 2.90% |
| Lehman Aggregate | | | | -2.36% | | | | -0.49% | -2.84% | 7.12% | 4.09% | 3.86% |
| Index | | | | | | | | | | | | |
| Bank of ND | 574,735 | 3.1% | 2.0% | -2.29% | 656,915 | 3.1% | 2.6% | -1.64% | -3.90% | 7.70% | 3.93% | 3.57% |
| Total Index | 574,735 | 3.1% | 2.0% | -2.29% | 656,915 | 3.1% | 2.6% | -1.64% | -3.90% | 7.70% | 4.17% | 3.91% |
| Lehman Gov/Credit | | | | -2.51% | | | | -1.64% | -4.10% | 7.24% | 3.84% | 3.58% |
| Enhanced | | | | | | | | | | | | |
| Westridge | 432,460 | 2.3% | 1.6% | 6.42% | 437,118 | 2.1% | 1.6% | 2.75% | 9.35% | N/A | N/A | N/A |
| Lehman Aggregate | | | | -2.36% | | | | -0.49% | -2.84% | | | |
| Convertibles | | | | | | | | | | | | |
| Calamos (2) | 326,995 | 1.7% | 1.5% | -15.88% | 434,707 | 2.0% | 1.7% | -11.09% | -25.21% | -2.86% | N/A | N/A |
| Total Convertibles | 326,995 | 1.7% | 1.5% | -15.88% | 434,707 | 2.0% | 1.7% | -11.09% | -25.21% | -2.86% | 4.55% | 2.71% |
| Merrill Lynch All Convertibles (3) | | | | -17.99% | | | | -17.56% | -32.39% | -6.36% | 5.72% | 6.36% |
| BBB Average Quality | | | | | | | | | | | | |
| Wells Capital | 430,402 | 2.3% | 1.5% | -8.24% | 476,107 | 2.2% | 1.7% | -3.78% | -11.71% | 3.70% | 3.26% | 4.56% |
| Lehman BBB | | | | -10.95% | | | | -4.85% | -15.26% | 2.62% | 2.52% | 3.44% |
| Senior Debt | | | | | | | | | | | | |
| PIMCO | 240,120 | 1.3% | 1.3% | 0.00% | 159,377 | 0.7% | 0.7% | N/A | N/A | N/A | N/A | N/A |
| Lehman Aggregate | | | | -2.36% | | | | -0.49% | -2.84% | 7.12% | | |
| Private Debt | | | | | | | | | | | | |
| Prudential | 425,045 | 2.3% | 1.5% | -2.21% | 460,278 | 2.2% | 1.7% | -1.79% | -3.96% | 3.32% | 3.41% | N/A |
| Lehman Aggregate | | | | -2.36% | | | | -0.49% | -2.84% | 7.12% | | |
| Timberland | | | | | | | | | | | | |
| TIR - Teredo (4) | 575,404 | 3.1% | 3.1% | -0.38% | 586,226 | 2.8% | 2.8% | -0.14% | -0.51% | 22.02% | 15.15% | 14.07% |
| TIR - Springbank | 1,269,697 | 6.7% | 6.7% | -0.26% | 1,289,513 | 6.1% | 6.1% | -0.43% | -0.69% | 15.25% | 18.41% | N/A |
| Total Timberland | 1,845,101 | 9.8% | 9.8% | -0.30% | 1,875,739 | 8.8% | 8.8% | -0.34% | -0.64% | 17.50% | 17.86% | 21.14% |
| NCREIF Timberland Index | | | | 0.33% | | | | 0.99% | 1.32% | 19.96% | 17.12% | 14.70% |
| Infrastructure | | | | | | | | | | | | |
| JP Morgan | 924,080 | 4.9% | 4.9% | -0.13% | 936,832 | 4.4% | 4.4% | 3.31% | 3.17% | 13.28% | N/A | N/A |
| Asset Allocation Overlay | | | | | | | | | | | | |
| Clifton (notional exposure \$-782,266) | 454 | 0.0% | 0.0% | N/A | | | | | | | | |
| Lehman Aggregate | | | | | | | | | | | | |
| TOTAL DOMESTIC FIXED INCOME | 5,533,368 | 29.4% | 24.5% | -2.48% | 5,872,793 | 27.6% | 24.5% | -1.50% | -3.93% | 9.02% | 8.15% | 9.65% |
| Lehman Aggregate | | | | -2.36% | | | | -0.49% | -2.84% | 7.12% | 4.09% | 3.86% |
| HIGH YIELD BONDS | | | | | | | | | | | | |
| Core | | | | | | | | | | | | |
| Loomis Sayles | 406,340 | 2.2% | 1.7% | -17.44% | 486,606 | 2.3% | 1.9% | -12.73% | -27.95% | -1.43% | 5.39% | N/A |
| Sutter/Wells Capital | 314,412 | 1.7% | 1.7% | -36.09% | 483,639 | 2.3% | 1.9% | -6.97% | -40.55% | -6.12% | 2.58% | N/A |
| Total Core | 720,752 | 3.8% | 3.3% | -26.74% | 970,245 | 4.6% | 3.8% | -10.04% | -34.09% | -3.71% | 4.01% | 4.88% |
| LB High Yield 2% Issuer Contstrained Index | | | | -16.09% | | | | -8.56% | -23.27% | -1.75% | 4.48% | N/A |
| Mezzanine Debt | | | | | | | | | | | | |
| Goldman Sachs 2006 Fund | 31,345 | 0.2% | 0.2% | 0.00% | 31,345 | 0.1% | 0.1% | -6.02% | -6.02% | -3.89% | N/A | N/A |
| Goldman Sachs Fund V | 49,582 | 0.3% | 0.3% | 0.00% | 49,582 | 0.2% | 0.2% | 2.67% | 2.67% | N/A | N/A | N/A |
| TCW | 116,705 | 0.6% | 0.6% | 1.24% | 87,399 | 0.4% | 0.4% | 2.02% | 3.28% | 7.26% | N/A | N/A |
| Total Mezzanine Debt | 197,632 | 1.0% | 1.0% | 0.64% | 168,325 | 0.8% | 0.8% | 0.60% | 1.25% | 0.49% | N/A | N/A |
| LB High Yield 2% Issuer Contstrained Index | | | | -16.09% | | | | -8.56% | -23.27% | -1.75% | | |
| Distressed Mortgages | | | | | | | | | | | | |
| PIMCO | 93,389 | 0.5% | 0.5% | -8.78% | 78,488 | 0.4% | 0.4% | 0.96% | -7.90% | N/A | N/A | N/A |
| Declaration Management | 26,952 | 0.1% | 0.1% | -2.40% | 19,232 | 0.1% | 0.1% | -3.65% | -5.96% | N/A | N/A | N/A |
| Total Distressed Mortgages | 120,341 | 0.6% | 0.6% | -7.52% | 97,721 | 0.5% | 0.5% | 0.02% | -7.51% | N/A | N/A | N/A |
| LB High Yield 2% Issuer Contstrained Index | | | | -16.09% | | | | -8.56% | -23.27% | | | |
| TOTAL HIGH YIELD BONDS | 1,038,726 | 5.5% | 5.0% | -21.49% | 1,236,291 | 5.8% | 5.0% | -7.92% | -27.71% | -4.27% | 3.82% | 6.32% |
| LB High Yield 2% Issuer Contstrained Index | | | | -16.09% | | | | -8.56% | -23.27% | -1.75% | 4.48% | 6.88% |

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| | October-08 | | | | September-08 | | | | Current | Prior Year | 3 Years | 5 Years |
|--|-------------------|---------------|---------------|----------------------|-------------------|---------------|---------------|------------------------|--------------------|---------------|---------------------|---------------------|
| | Market Value | Allocation | Actual | Month Policy Net ROR | Market Value | Allocation | Actual | Quarter Policy Net ROR | Fiscal YTD Net ROR | FY08 Net ROR | Ended 6/30/2008 Net | Ended 6/30/2008 Net |
| INTERNATIONAL FIXED INCOME | | | | | | | | | | | | |
| <i>International Sovereign</i> | | | | | | | | | | | | |
| <i>UBS Global (Brinson)</i> | 928,753 | 4.9% | 4.5% | -3.30% | 960,222 | 4.5% | 4.5% | -4.51% | -7.66% | 17.24% | 5.56% | 6.49% |
| <i>Citigroup Non-US Gov't Bond Index (5)</i> | | | | -2.54% | | | | -4.25% | -6.69% | 18.73% | 6.63% | 7.04% |
| <i>International Core</i> | | | | | | | | | | | | |
| <i>Brandywine</i> | 898,084 | 4.8% | 4.5% | -10.40% | 1,002,121 | 4.7% | 4.5% | -5.68% | -15.49% | 10.78% | 7.06% | 8.51% |
| <i>Lehman Global Aggregate (ex-US)</i> | | | | -4.42% | | | | -5.90% | -10.06% | 16.53% | 7.88% | 7.38% |
| TOTAL INTERNATIONAL FIXED INCOME | 1,826,837 | 9.7% | 9.0% | -6.93% | 1,962,343 | 9.2% | 9.0% | -5.11% | -11.69% | 13.90% | 6.31% | 7.50% |
| <i>Citigroup Non-US Gov't Bond Index (5)</i> | | | | -2.54% | | | | -4.25% | -6.69% | 18.73% | 6.66% | 7.06% |
| REAL ESTATE | | | | | | | | | | | | |
| INVESCO - Core | 946,018 | | | -0.03% | 951,970 | | | 0.63% | 0.59% | 8.27% | N/A | N/A |
| INVESCO - Fund II | 66,927 | | | -24.68% | 18,258 | | | -1.85% | -26.08% | N/A | N/A | N/A |
| J.P. Morgan Strategic & Special Funds | 868,922 | | | -0.03% | 878,788 | | | -1.95% | -1.98% | 5.69% | 15.27% | 15.26% |
| J.P. Morgan Alternative Property Fund | 227,985 | | | -4.90% | 240,094 | | | -0.60% | -5.48% | 4.59% | N/A | N/A |
| J.P. Morgan Greater China Property Fund | 25,941 | | | 0.00% | 25,941 | | | -5.24% | -5.24% | N/A | N/A | N/A |
| TOTAL REAL ESTATE | 2,135,793 | 11.3% | 8.5% | -0.80% | 2,115,051 | 9.9% | 8.5% | -0.72% | -1.51% | 6.31% | 15.27% | 15.26% |
| <i>NCREIF TOTAL INDEX</i> | | | | -0.06% | | | | -0.17% | -0.23% | 9.20% | 14.82% | 14.63% |
| ALTERNATIVE INVESTMENTS | | | | | | | | | | | | |
| Coral Partners V | 30,802 | | | 0.00% | 30,989 | | | 0.00% | 0.00% | 9.09% | 5.22% | -8.23% |
| Coral Partners V - Supplemental | 3,627 | | | 0.00% | 3,619 | | | 10.51% | 10.51% | -6.34% | 3.94% | 6.41% |
| Coral Momentum Fund (Formerly Fund VI) | 59,414 | | | 0.00% | 59,414 | | | -4.97% | -4.97% | 13.96% | -3.63% | -7.09% |
| Brinson 1998 Partnership Fund | 3,536 | | | 0.00% | 3,536 | | | -3.84% | -3.84% | 6.92% | 17.74% | 16.40% |
| Brinson 1999 Partnership Fund | 10,866 | | | 0.00% | 10,866 | | | -2.15% | -2.15% | 13.32% | 15.81% | 14.25% |
| Brinson 2000 Partnership Fund | 34,621 | | | 0.00% | 34,621 | | | -10.02% | -10.02% | 21.82% | 21.03% | 17.78% |
| Brinson 2001 Partnership Fund | 31,009 | | | 0.00% | 31,009 | | | -1.08% | -1.08% | 2.23% | 12.37% | 9.49% |
| Brinson 2002 Partnership Fund | 15,269 | | | 0.00% | 15,269 | | | -5.82% | -5.82% | 3.20% | 14.93% | 10.72% |
| Brinson 2003 Partnership Fund | 5,979 | | | 0.00% | 5,979 | | | 2.40% | 2.40% | -6.42% | 16.42% | 8.89% |
| Total Brinson Partnership Funds | 101,280 | | | 0.00% | 101,280 | | | -4.98% | -4.98% | 13.85% | 17.75% | 14.80% |
| Brinson 1999 Non-US Partnership Fund | 4,811 | | | 0.00% | 5,212 | | | -1.11% | -1.11% | -9.78% | 38.86% | 33.76% |
| Brinson 2000 Non-US Partnership Fund | 10,751 | | | 0.00% | 11,606 | | | -3.21% | -3.21% | 27.03% | 38.56% | 28.82% |
| Brinson 2001 Non-US Partnership Fund | 7,939 | | | 0.00% | 7,939 | | | -8.05% | -8.05% | 13.44% | 15.89% | 14.66% |
| Brinson 2002 Non-US Partnership Fund | 19,546 | | | 0.00% | 20,784 | | | -5.05% | -5.05% | 14.08% | 43.86% | 31.81% |
| Brinson 2003 Non-US Partnership Fund | 17,863 | | | 0.00% | 17,863 | | | 3.32% | 3.32% | 24.92% | 42.47% | 23.29% |
| Brinson 2004 Non-US Partnership Fund | 8,620 | | | 0.00% | 8,620 | | | -4.17% | -4.17% | 29.16% | 25.88% | N/A |
| Total Brinson Non-US Partnership Fund | 69,530 | | | 0.00% | 72,023 | | | -2.76% | -2.76% | 18.83% | 37.12% | 28.34% |
| Adams Street 2008 Non-US Partnership Fd | 1,759 | | | 0.00% | 1,759 | | | -3.86% | -3.86% | N/A | N/A | N/A |
| Brinson BVCF IV | 55,812 | | | 0.00% | 55,812 | | | 7.08% | 7.08% | -1.94% | 7.62% | 9.88% |
| Adams Street Direct Co-investment Fund | 61,397 | | | 0.00% | 61,397 | | | -3.78% | -3.78% | 4.06% | N/A | N/A |
| Matlin Patterson Global Opportunities | 20,696 | | | 0.00% | 20,696 | | | -27.00% | -27.00% | -29.56% | -11.62% | 9.60% |
| Matlin Patterson Global Opportunities II | 107,614 | | | 0.00% | 107,614 | | | -10.56% | -10.56% | -5.55% | 8.69% | N/A |
| Matlin Patterson Global Opportunities III | 60,263 | | | 0.00% | 60,263 | | | 1.13% | 1.13% | -20.02% | N/A | N/A |
| InvestAmerica | 27,051 | | | 0.00% | 27,051 | | | 0.00% | 0.00% | 27.36% | 13.22% | 1.67% |
| Hearthstone MSII | 0 | | | 0.00% | 0 | | | -100.00% | -100.00% | -62.01% | -100.00% | -100.00% |
| Hearthstone MSIII | 3,560 | | | 0.00% | 3,560 | | | -33.76% | -33.76% | -10.75% | 63.82% | N/A |
| Corsair III | 33,871 | | | 0.00% | 47,351 | | | -6.63% | -6.63% | 64.04% | N/A | N/A |
| Corsair III - ND Investors LLC | 36,185 | | | 0.00% | 36,185 | | | 0.00% | 0.00% | N/A | N/A | N/A |
| Quantum Resources | 6,004 | | | 0.00% | 858 | | | -91.16% | -91.16% | -52.44% | N/A | N/A |
| Quantum Energy Partners | 14,073 | | | 0.00% | 10,638 | | | -0.52% | -0.52% | -3.17% | N/A | N/A |
| TOTAL ALTERNATIVE INVESTMENTS (6) | 692,938 | 3.7% | 3.0% | 0.00% | 700,509 | 3.3% | 3.0% | -5.93% | -5.93% | 4.50% | 10.73% | 11.31% |
| CASH EQUIVALENTS | | | | | | | | | | | | |
| Northern Trust STIF | 242,570 | | | 0.14% | 43,306 | | | 0.49% | 0.63% | 0.70% | 3.40% | 2.76% |
| Bank of ND | 164,491 | | | 0.13% | 70,463 | | | N/A | N/A | N/A | N/A | N/A |
| TOTAL CASH EQUIVALENTS | 407,061 | 2.2% | 0.0% | 0.13% | 113,769 | 0.5% | 0.0% | 0.48% | 0.62% | 0.70% | 3.61% | 3.40% |
| <i>90 Day T-Bill</i> | | | | 0.11% | | | | 0.63% | 0.74% | 3.63% | 4.27% | 3.18% |
| TOTAL FUND | 18,835,139 | 100.0% | 100.0% | -11.96% | 21,310,291 | 100.0% | 100.0% | -7.48% | -18.54% | -4.68% | 7.37% | 10.25% |
| <i>POLICY TARGET BENCHMARK</i> | | | | -10.86% | | | | -5.97% | -16.19% | -3.33% | 5.92% | 8.03% |

NOTE: Monthly returns and market values are preliminary and subject to change.

(1) This benchmark was changed to the MSCI EAFE (unhedged) as of December 1, 2004.

(2) TCW was terminated on September 22, 2006. The portfolio was transferred to Calamos on October 5, 2006.

(3) Prior to January 1, 2005, the benchmark was the First Boston Convertible Index.

(4) Prior to June 1, 2006, the Tored properties were under the management of RMK.

(5) Previously this benchmark was titled Salomon Brothers Non-US Gov't Bond Index.

(6) Because of the variation in fee calculations in Alternative Investments, only net returns will be shown until June of each year when actual costs are known.